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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON
PORTLAND DIVISION

SABRINA GRETE CARRANZA; and
DALLIS HUGHES, on behalf of themselves
and all others similarly situated,

Plaintiffs,

v.

GEICO GENERAL INSURANCE
COMPANY; GEICO INDEMNITY
COMPANY; and GOVERNMENT
EMPLOYEES INSURANCE COMPANY,

Defendants.

Case No. 3:13-cv-1932

CLASS ACTION ALLEGATION

COMPLAINT

Breach of Contract

(Jury Trial Demanded)

SUMMARY AND OVERVIEW

1. This is a class action on behalf of all current and former holders of automobile insurance policies from GEICO General Insurance Company (“GEICO General”), GEICO Indemnity Company (“GEICO Indemnity”), and Government Employees Insurance Company (“Government Employees”), who, from October 31, 2007 to the date of trial (the “Class Period”), have insured more than one vehicle under the same policy with the defendants that sustained damages or losses arising from a single occurrence, but thereafter the defendants improperly charged their insureds more than one (1) deductible.

2. Plaintiff Sabrina Carranza is a resident of Oregon.

3. Plaintiff Dallis Hughes is a resident of Arizona.

4. Defendant GEICO General is an affiliate of GEICO Indemnity and Government Employees.

5. Defendant GEICO Indemnity is an affiliate of GEICO General and Government Employees.

6. Defendant Government Employees is an affiliate of GEICO General and GEICO Indemnity.

JURISDICTION AND VENUE

7. This Court has diversity jurisdiction over this action pursuant to 28 U.S.C. § 1332 because it is a suit between the citizens of different states and the amount in controversy exceeds \$75,000.00. This Court also has jurisdiction under 28 U.S.C. § 1711 *et. seq.* and 28 U.S.C. § 1332(d) because the matter in controversy exceeds \$5,000,000, exclusive of interest and costs,

and is a class action in which a member of the class of Plaintiffs is a citizen of a state different from the Defendants.

8. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391(a) and (c), because Defendants engage in substantial business in this district and because a substantial part of the conduct giving rise to the claims occurred in this district.

FIRST CLAIM FOR RELIEF
Breach of Contract

9. Plaintiffs reallege all above paragraphs, to the extent not inconsistent herewith, as if each is set forth *in toto* hereunder.

10. Plaintiffs, and all others similarly situated, owned an automobile insurance policy issued by Defendants during the Class Period.

11. Upon information and belief, Defendants issued hundreds of automobile insurance policies during the Class Period with physical damage coverages containing the following terms:

a. Collision

1. [GEICO] will pay for **collision loss** to the **owned auto** or **non-owned auto** for the amount of each **loss** less the applicable deductible.

* * * * *

3. **Losses** arising out of a single occurrence shall be subject to no more than one deductible.

[All emphases in the original]

12. Plaintiffs, and all others similarly situated, had vehicles insured under a policy issued by Defendants with the language described above and those vehicles were involved in a collision with another vehicle insured under the same policy.

13. Claims to repair the insured vehicles damaged in a collision with another vehicle insured under the same policy were made to Defendants.

14. Defendants processed the claims as collision claims.

15. The collision losses sustained by Plaintiffs, and all others similarly situated, arose out of a single occurrence, which was the collision with another vehicle insured under the same policy.

16. Defendants charged Plaintiffs, and all others similarly situated, or applied more than one (1) deductible when the vehicles insured under the same policy were involved in a collision with each other.

17. Plaintiffs, and all others similarly situated, and Defendant GEICO are parties to an automobile insurance policy that provides that for physical damage coverage, losses arising out of a single occurrence shall be subject to no more than one (1) deductible.

18. Plaintiffs, and all others similarly situated, performed all of their obligations under the policies.

19. Defendants breached the insurance policies by charging Plaintiffs, and all others similarly situated, or applying more than one (1) deductible when vehicles were involved in collisions with another vehicle insured under the same policy.

20. As a direct and foreseeable result of Defendants' breach of the agreements, Plaintiffs, and all others similarly situated, have been damaged in the amount of the extra deductibles charged and/or applied.

CLASS ACTION ALLEGATIONS

21. Plaintiffs bring this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of all persons described in paragraph 1, *supra*.

22. The members of the Class are so numerous that joinder of all members is impracticable. During the Class Period, Defendants improperly charged multiple deductibles under hundreds of policies when vehicles insured under the same policy were involved in a collision with one another. The adjudication of Plaintiffs' claims, and the claims of those similarly situated, in a class action will provide substantial benefits to the parties and the Court.

23. There is a well-defined community of interest in the questions of law and fact involved in this case. Questions of law and fact common to the members of the Class which predominate over questions which may affect individual class members include:

- i. Whether a breach of contract occurred when Defendants charged and/or applied more than one (1) deductible when vehicles insured under the same policy were involved in a collision with each other;
- ii. Whether those excess deductibles should be reimbursed to members of the Class.

24. Plaintiffs' claims are typical of those of the Class because Plaintiffs and the Class had more than one deductible charged and/or applied by Defendants when vehicles insured under the same policy were involved in a collision with one another.

25. Plaintiffs will adequately protect the interests of the Class and have retained counsel who are experienced in class action litigation. Plaintiffs have no interests which conflict with those of the Class.

26. A class action is superior to other available methods for the fair and efficient adjudication of this controversy.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for judgment as follows:

- (1) Declaring this action to be a proper class action pursuant to Rule 23;
- (2) Awarding Plaintiffs and the members of the Class damages and costs; and
- (3) Awarding such other legal and equitable relief as the Court may deem just and proper.

JURY DEMAND

Plaintiffs demand a trial by jury.

DATED this 31st day of October, 2013.

STOLL STOLL BERNE LOKTING & SHLACHTER P.C.

By: /s/ Steve D. Larson

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